



## MEMO

**TO:** Senate Insurance Committee Members  
**FROM:** Michigan Retailers Association  
**SUBJECT:** Support medication synchronization - SB 150 S-2  
**DATE:** June 16, 2015

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Michigan Retailers Association is the unified voice of Michigan's retail industry and represents more than 15,000 stores and ecommerce websites across the state. Of our nearly 5,000 members we represent 14 independent pharmacies with 17 locations and 8 chain pharmacies with 941 locations.

MRA's member pharmacies strongly support efforts to increase patient adherence to medications through programs like medication synchronization. As the face of neighborhood healthcare, community pharmacies have played an increasingly important role in improving overall patient care through pharmacy services such as health and wellness screenings, immunizations, medication therapy management, medication synchronization, and other evidence-based services.

Under medication synchronization pharmacists and pharmacy staff are able to perform a monthly review of medications in conjunction with patient and physician input, which provides the opportunity to identify therapeutic and adherence issues that patients may be encountering. This model has improved adherence and patient care.

A recent study by Virginia Commonwealth University reviewed a medication synchronization program at a regional pharmacy chain. The report found that, in comparison to control subjects, patients in the medication synchronization program experienced stronger communication with the complete health care team, had 2.8 more refills/year resulting in 84 more days of medication and had 3.4 to 6.1 times greater odds of adherence. Those not enrolled in the medication synchronization program had a 52% to 73% greater likelihood of discontinuing their medication therapy.

In another study, researchers at Harvard Medical School found that when medications were not synchronized, patients had adherence rates that were 8.4% lower than patients for which medications were synchronized.

While medication synchronization already happens today, barriers exist to its successful expansion. Synchronization can be costly, which is why passage of the S-2 version of SB 150 is needed to ensure that insurers provide a prorated daily rate for medications during the synchronization period.

The S-2 version of SB 150 would further enable beneficiaries to synchronize their medications so that they could order and receive them on the same day each month, instead of having to make multiple visits to the

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pharmacy. This would reduce medication waste, as well as the poor healthcare outcomes that result from decreased medication adherence. Additionally, the legislation ensures that a pharmacy receives a full dispensing fee as determined by the contract it has with the individual or group health plan. Dispensing fees are associated with each dispensing event and should not be affected by medication synchronization. The pharmacy should not be penalized with a lower dispensing fee for dispensing pursuant to medication synchronization; the pharmacy overhead costs remain the same.

MRA strongly supports the S-2 version of SB 150 since it addresses the barriers to synchronization while keeping the dispensing fee intact for each dispensing occurrence and encourages the committee to report the bill favorably without any amendments.

## Medication Nonadherence is common and costly

**75 percent**

fail to take  
medications  
as directed<sup>1</sup>

**33 percent**

of prescriptions  
are never filled<sup>1</sup>

Up to

**60 percent**

of the time,  
patients with  
chronic conditions  
do not take their  
medication<sup>1</sup>

Approximately

**125,000**

deaths annually  
are attributed to  
nonadherence to  
medication therapy<sup>2</sup>

### Hospital readmissions

Adverse medication events (including patient nonadherence) are at the core of the readmission problem. This leads to treatment failures and wasted resources<sup>3</sup>



## The economic cost of nonadherence

The total direct national cost of **nonadherence** for adults diagnosed with diabetes, hypertension, or dyslipidemia was **\$105.8 billion**, or an average of **\$453 per adult**, in 2010.<sup>4</sup>

**Diabetes**

**37.9 percent**  
of patients  
are nonadherent<sup>5</sup>

**Asthma**

**80.2 percent**  
of pediatric  
patients and

**53.8 percent**  
of adult patients  
are nonadherent<sup>5</sup>

**Hypertension**

**28.1 percent**  
of patients  
are nonadherent<sup>5</sup>

**Dyslipidemia**

**27.2 percent**  
of patients  
are nonadherent<sup>5</sup>



**Preventable hospital readmissions** cost the U.S. healthcare system  
**\$25 billion annually<sup>6</sup>**